

**PART 457—COMMON CROP
INSURANCE REGULATIONS;
REGULATIONS FOR THE 1998 AND
SUBSEQUENT CONTRACT YEARS**

1. The authority citation for part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l), 1506(p).

§ 457.128 [Corrected]

2. In § 457.128, paragraph 10(b)(7) is further corrected to read as follows: "October 31 of the crop year in California, November 10 of the crop year in Florida and Georgia, and September 20 of the crop year in all other states."

Signed in Washington D.C., on June 26, 1998.

Joy Harwood,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 98-17636 Filed 7-1-98; 8:45 am]

BILLING CODE 3410-08-P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

7 CFR Part 457

Dry Pea; Correction

AGENCY: Federal Crop Insurance Corporation, USDA.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to the final regulation which was published in the **Federal Register** on Tuesday, December 16, 1997 (62 FR 65741-65747). The regulation pertains to the Dry Pea Crop Insurance Provisions.

EFFECTIVE DATE: July 1, 1998.

FOR FURTHER INFORMATION CONTACT:

Arden Routh, Insurance Management Specialist, Research and Development, Product Development Division, Federal Crop Insurance Corporation, United States Department of Agriculture, 9435 Holmes Road, Kansas City, MO 64131, telephone (816) 926-7730.

SUPPLEMENTARY INFORMATION:

Background

The final regulation that is the subject of this correction was intended to provide policy changes to better meet the needs of the insured and include the pea crop insurance regulations with the Common Crop Insurance Policy for ease of use and consistency of terms.

Need for Correction

As published, the final regulation contained an error which may prove misleading. The local market price definition was based on the cash price

per pound for U.S. No. 2 grade of dry peas and is being corrected to be based on the cash price per pound for U.S. No. 1 grade of dry peas. Dry Pea production that is eligible for quality adjustment is based on production grading U.S. No. 2 or worse; therefore, any production not grading U.S. No. 1 is eligible for quality adjustment. The local market price must be based on the U.S. No. 1 grade rather than U.S. No. 2. The value of the damaged or conditioned production is divided by the local market price (based on U.S. No. 1 grade) to calculate the quality adjustment factor under section 12(e) of the crop provisions.

List of Subjects in 7 CFR Part 457

Crop insurance, Dry pea.

Accordingly, 7 CFR part 457 is corrected by making the following correcting amendment:

**PART 457—COMMON CROP
INSURANCE REGULATIONS;
REGULATIONS FOR THE 1998 AND
SUBSEQUENT CONTRACT YEARS**

1. The authority citation for part 457 continues to read as follows:

Authority: 7 U.S.C. 1506(l), 1506(p).

§ 457.140 [Corrected]

2. In § 457.140, section 1 of the policy pertaining to the definition of "Local market price" is corrected by removing the phrase "U.S. No. 2", in the first and second sentences, and replacing it with "U.S. No. 1".

Signed in Washington D.C., on June 26, 1998.

Joy Harwood,

Acting Manager, Federal Crop Insurance Corporation.

[FR Doc. 98-17637 Filed 7-1-98; 8:45 am]

BILLING CODE 3410-08-P

DEPARTMENT OF AGRICULTURE

Rural Housing Service

Rural Business-Cooperative Service

Rural Utilities Service

Farm Service Agency

7 CFR Part 1980

RIN 0560-AE92

**Subordination of Direct Loan Basic
Security To Secure a Guaranteed Line
of Credit; Correction**

AGENCIES: Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, Farm Service Agency, USDA.

ACTION: Final rule; correction.

SUMMARY: This document corrects the amendatory language contained in the final rule published April 24, 1998, regarding approving a subordination of direct loan security when another lender will be making a line of credit guaranteed by the Agency with a Contract of Guarantee-Line of Credit. This correction clarifies that the conditions applicable to a subordination of direct loan basic security do not apply to the subordination of direct loan normal income security. This correction will apply retroactively to those lines of credit approved since the effective date of the final rule.

EFFECTIVE DATE: May 26, 1998.

FOR FURTHER INFORMATION CONTACT:

Phillip Elder (202) 690-4012; Electronic mail: pelder@wdc.fsa.usda.gov.

SUPPLEMENTARY INFORMATION:

Background

The final rule being corrected by this publication was intended to allow subordination of direct loan basic chattel and real estate security to secure a guaranteed line of credit in certain cases, to allow subordinations for refinancing purposes and to remove a loan maximum limitation that had been repealed.

Need for Correction

As published, the final rule had the unintentional effect of greatly increasing the conditions that must be met for the Agencies to subordinate direct loan normal income security when making a guaranteed line of credit. These extra conditions were intended to apply only to subordinations of basic security when making a guaranteed line of credit. As stated in the final rule discussion of the fourth comment received, "Regardless, the limitations included in § 1980.108(a) will allow subordinations of direct loan basic security in only those cases where the likelihood of a Government loss on the direct loan is small." The extra conditions were not to be applied to subordinations of normal income security. The definitions of normal income and basic security are contained in § 1962.4 of Title 7. Also, as part of this correction, the first extra condition in § 1980.108(a)(1)(vi) is clarified to more clearly state that the required loan to value ratio is to be calculated based on all of the borrower's direct loans and all of the loan security and is not calculated on a single loan basis for multiple loan borrowers.

Correction of Publication

In the final rule published in **Federal Register**, 63 FR 20295-20299, on April 24, 1998, make the following corrections in the amendatory language section: At